

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 17, 2016

In Reply Refer To:
Impulsora Pipeline, LLC
Docket No. CP16-70-000
Presidential Permit

The Honorable Ashton Carter
Secretary of Defense
Washington, DC 20301

Dear Mr. Secretary:

Pursuant to the provisions of Executive Order Nos. 10485 and 12038 of September 3, 1953, and February 3, 1978, respectively, and the Secretary of Energy's Delegation Order No. 00-004.00A, effective May 16, 2006, enclosed herewith for your information and consideration is a copy of an application filed by Impulsora Pipeline, LLC (Impulsora)¹ with the Federal Energy Regulatory Commission on February 4, 2016, in Docket No. CP16-70-000. Impulsora seeks to amend its existing Presidential Permit originally issued May 14, 2015,² and amended on November 19, 2015,³ to terminate the authorization to construct and operate a 12-inch-diameter pipeline at a point on the International Boundary between the United States in Webb County, Texas and Mexico, in the vicinity of Colombia, Nuevo Leon, Mexico.

On May 14, 2015, the Commission authorized Impulsora to site, construct, and operate one 36-inch-diameter, 4,000-foot-long pipeline and one 12-inch-diameter, 2,500-foot-long pipeline that will run parallel to the proposed 36-inch-diameter pipeline at a point on the International Boundary between the United States in Webb County, Texas

¹Impulsora is wholly owned by Nueva Era Pipeline, LLC, which is a limited liability company owned through intermediate entities equally by affiliates of Howard Midstream Energy Partners, LLC and Grupo Clisa.

² *Impulsora Pipeline, LLC*, 151 FERC ¶ 61,117 (2015).

³ *Impulsora Pipeline, LLC*, 153 FERC ¶ 61,204 (2015).

and Mexico, in the vicinity of Colombia, Nuevo Leon, Mexico.⁴ The Commission order noted that the Secretaries of State and Defense had no objections to the requested authorizations. On November 19, 2015, the Commission amended the Section 3 Authorization and Presidential Permit by limiting the scope of the Border-Crossing facilities to just 1,400 feet of 36-inch- and 12-inch-diameter pipelines.⁵

On February 4, 2016, Impulsora Pipeline, LLC filed an application to amend the existing Presidential Permit. In its application, Impulsora stated that it does not intend to construct the 1,400 feet of parallel 12-inch-diameter pipeline at this time. As a result, Impulsora seeks to amend its Section 3 Authorization and Presidential Permit to remove the 12-inch-diameter pipeline.⁶

Pursuant to regulations adopted by the Commission to implement NGA section 15 as amended by EPCA 2005, your recommendation regarding the proposed amendment to this Presidential Permit should be provided to the Commission no later than 90 days after the Commission issues its final environmental document.⁷ Notice of the initial schedule for the development of the environmental document, any subsequent changes to that schedule, issued draft environmental documents (if any), and the final environmental document will be available on the Commission's website and may be monitored by your staff via the Commission's eSubscription service.

Also enclosed for your consideration is a draft copy of the amended Presidential Permit to be issued to Impulsora, if the Commission approves its application. The proposed amended Presidential Permit incorporates terms and conditions you and the Secretary of State have required in similar cases.

A similar letter, together with a draft of the proposed Presidential Permit and a copy of the application, is being sent to the Secretary of State. If the Secretary of State should make an unfavorable recommendation or propose any material change in the draft Presidential Permit, the Commission will immediately advise you.

⁴ *Impulsora Pipeline, LLC*, 151 FERC ¶ 61,117 (2015).

⁵ *Id.*

⁶ Impulsora will retain authorization to construct and operate the 1,400 feet of 36-inch-diameter pipeline.

⁷ See 18 C.F.R. § 157.22 (2007).

The Commission would appreciate receiving your views regarding issuance of the proposed amended Presidential Permit at your earliest convenience. Please do not hesitate to contact me at (202) 502-8400, or Theodore Koroshetz at (202) 502-6155, if you need any further information.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: The Honorable John F. Kerry
Secretary of State

Attachments: Application of Impulsora Pipeline, LLC
Draft of amended Presidential Permit

DRAFT
AMENDED PRESIDENTIAL PERMIT
AUTHORIZING IMPULSORA PIPELINE, LLC
TO OPERATE AND MAINTAIN NATURAL GAS FACILITIES AT THE
INTERNATIONAL BOUNDARY BETWEEN THE UNITED STATES AND
MEXICO

FEDERAL ENERGY REGULATORY COMMISSION
DOCKET NO. CP16-70-000

(Issued , 2016)

Impulsora Pipeline, LLC (Permittee), a limited liability company organized and existing under the laws of the State of Delaware, filed on February 4, 2016, in Docket No. CP16-70-000, an application pursuant to the provisions of Executive Order Nos. 10485 and 12038 and the Secretary of Energy's Delegation Order No. 00-004.00A, requesting to amend the Presidential Permit issued on May 14, 2015, as previously amended on November 19, 2015, authorizing Permittee to site, construct, and operate and maintain facilities to export natural gas at a point on the international boundary between the United States in Webb County, Texas and the Republic of Mexico, in the vicinity of Colombia, Nuevo Leon, Mexico. Permittee requests authorization to amend its Permit to terminate authorization to construct and operate the 12-inch-diameter pipeline.

By letter dated _____, 2016, the Secretary of State and by letter dated _____, 2016, the Secretary of Defense favorably recommend that this Permit be granted. The Federal Energy Regulatory Commission finds that the issuance of a Permit is appropriate and consistent with the public interest.

Pursuant to the provisions of Executive Order Nos. 10485 and 12038, dated September 1, 1953 and February 3, 1978, respectively, the Secretary of Energy's Delegation Order No. 00-004.00A, effective May 16, 2006, and the Commission's regulations, permission is granted to Permittee to site, construct, and operate the natural gas facilities described in Article 2 below, upon the terms and conditions of the Permit.

Article 1. It is expressly agreed by the Permittee that the facilities herein described shall be subject to all provisions and requirements of this Permit. This Permit may be modified or revoked by the President of the United States or the Federal Energy Regulatory Commission and may be amended by the Federal Energy Regulatory Commission upon proper application therefore.

Article 2. The following facilities are subject to this permit:

Approximately 1,400 feet of 36-inch-diameter pipeline in Webb County, Texas, to the international boundary between the United States and Mexico in the vicinity of Colombia, State of Nuevo León, Mexico.

Article 3. The natural gas facilities subject to this Permit, or which may subsequently be included herein by modification or amendment, may be utilized for the transportation of natural gas between the United States and Mexico only in the amount, at the rate, and in the manner authorized under section 3 of the Natural Gas Act.

Article 4. The operation and maintenance of the aforesaid facilities shall be subject to the inspection and approval of representatives of the United States. The Permittee shall allow officers and employees of the United States, showing proper credentials, free and unrestricted access to the land occupied by the facilities in the performance of their official duties.

Article 5. If in the future, it should appear to the Secretary of Defense that any facilities or operations permitted hereunder cause unreasonable obstruction to the free navigation of any of the navigable waters of the United States, the Permittee may be required, upon notice from the Secretary of Defense, to remove or alter the same so as to render navigation through such water free and unobstructed.

Article 6. The Permittee shall be liable for all damages occasioned to the property of others by the operation or maintenance of the facilities, and in no event shall the United States be liable therefore. The Permittee shall do everything reasonable within its power to prevent or suppress fires on or near land occupied under this Permit.

Article 7. The Permittee agrees to file with the Commission, under oath and in such detail as the Commission may require, such statements or reports with respect to the natural gas exported or imported, or the facilities described herein, as the Commission may, from time to time, request. Such information may be made available to any federal, state, or local agency requesting such information.

Article 8. Neither this Permit nor the facilities, nor any part thereof, covered by this Permit shall be voluntarily transferred in any manner, but the Permit shall continue in effect temporarily for a reasonable time in the event of the involuntary transfer of the facilities by operation of law (including transfer to receivers, trustees, or purchasers under foreclosure or judicial sale) pending the making of an application for a permanent Permit and decision thereon, provided notice is promptly given in writing to the Commission accompanied by a statement that the facilities authorized by this Permit remain substantially the same as before the involuntary transfer. The Permittee shall maintain the facilities in a condition of repair for the efficient transportation of natural gas and shall make all necessary renewals and replacement.

Article 9. Upon the termination, revocation, or surrender of this Permit, the Commission shall determine which of the authorized facilities shall be removed and which shall remain in place. The facilities authorized shall be removed within such time as the Commission may specify, and at the Permittee's expense. Upon failure of the Permittee to comply with the Commission's direction to remove any authorized facilities, or any portion thereof, the Commission may direct that possession of the same be taken and the facilities be removed at the Permittee's expense, and the Permittee shall have no claim for damages by reason of such possession or removal.

Article 10. The Permittee agrees that when, in the opinion of the President of the United States, evidenced by a written order addressed to it as holder of this Permit, the safety of the United States demands it, the United States shall have the right to enter upon and take possession of any of the facilities, or parts thereof, maintained or operated under this Permit, and all contracts covering the transportation or sale of natural gas by means of said facilities, to retain possession, management, and control thereof for such length of time as may appear to the President to be necessary to accomplish said purposes, and then to restore possession and control to the Permittee; and in the event that the United States shall exercise such right it shall pay the Permittee just and fair compensation for the use of said facilities upon the basis of a reasonable profit in time of peace, and the cost of restoring said facilities to as good condition as existed at the time of taking over thereof, less the reasonable value of any improvements that may be made thereto by the United States and which are valuable and serviceable to the Permittee.

Article 11. This Permit is subject to any action which the Government of the United States may in the future deem expedient or necessary to take in case any part of the aforesaid facilities comes into the control of any foreign government.

Article 12. The Government of the United States shall be entitled to the same or similar privileges as may by law, regulation, agreement, or otherwise, be granted by the Permittee to any foreign government.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

IN TESTIMONY OF ACCEPTANCE of all the provisions, conditions and requirements of this Permit, the Permittees this day of _____ have caused their names to be signed by _____, pursuant to a resolution of its Board of Directors duly adopted on the ___ day of _____, a certified copy of the record of which is attached hereto.

Impulsora Pipeline, LLC

By _____

(Attest)

Executed in triplicate